Gender Pay Gap Reporting – March 2018

Vital Energi are an employer **required by law** to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This was brought into effect following the 2015 general election where the Government announced that it intended to fulfil a manifesto commitment by bringing into force a provision of the Equality Act 2010 on gender pay gap reporting.

The Office of National Statistics has put the overall gender pay gap for all employees in the UK in 2016 at a median of 18.1%. Woman typically earned around one-fifth less than men.

This involves carrying out six calculations that show the difference between the average earnings of men and women in an organisation; it will not involve publishing individual employee data. We, as a company, are required to publish the results on our own website and a government website within one calendar year of 5th April 2017.

As an employer, we must publish the following six calculations which show:

1. average gender pay gap as a mean average (expressed as a percentage)
2. average gender pay gap as a median average (expressed as a percentage)
3. average bonus gender pay gap as a mean average (expressed as a percentage)
4. average bonus gender pay gap as a median average (expressed as a percentage)
5. proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
6. proportion of males and females when divided into four groups ordered from lowest to highest pay.

After carrying out the above calculations, we have found the following:

1. the mean gender pay gap (hourly rate of pay) is 32.6% lower for women
2. the median gender pay gap (hourly rate of pay) is 32.0% lower for women
3. the mean gender bonus gap is 15.7% lower for women
4. the median gender bonus gap is 37.1% higher for women
5. the proportion of male employees receiving a bonus is 1.0% compared to 1.4% of females employees receiving a bonus
6. Pay Quartiles by Gender:

	Men	Women
Top Quartile	95.5%	4.5% (4 women)
Upper Middle Quartile	84.3%	15.7% (14 women)
Lower Middle Quartile	82.0%	18.0% (16 women)
Lower Quartile	66.3%	33.7% (30 women)

Causes of Vital Energi's Gender Pay Gap

A gender pay cap can show that women are not progressing within the company at the same rate as their male counterparts. This does, however, mainly come down to the industry that we operate in; engineering. Women make up only 12.5% of those in engineering occupations industry wide and less than 10% of those in an engineering role within an engineering company. Vital Energi currently employs in total 64 women which equates to a total of 18% of our entire workforce. This surpasses the industry average. Women in engineering roles within Vital Energi (including the functions Engineering, District Heating, Commercial, Design, Operatives, Pre-Fabrication and Solutions) currently stand at 7.1%. Unfortunately, this further highlights the male dominated industry we currently reside in.

Gender Pay Gap by Department

From the table below, it can be seen that some departments that are less specifically related to Engineering do have lower than average pay gap percentages than the company as a whole; specifically E&AM, Estimating and Marketing (highlighted in green). The department towards the bottom of the table that contain 'n/a' cannot be reported on, as they do not have any females within them based on the data range of this report. This further highlights the gender bias within the Engineering sector.

Department	Mean	Median
Vital Energi – Overall pay gap	32.6%	32%
Administration	36.5%	37.1%
Commercial	26.9%	47.8%
Design	9.1%	0.5%
E&AM	28.4%	7.9%
Engineering	42.1%	41.4%
Estimating	7.9%	30.4%
Finance	49.3%	46.1%
Marketing	4.5%	17.4%
Solutions	54.6%	53.9%
Business Development	n/a	n/a
Directors	n/a	n/a
District Heating Engineering	n/a	n/a
IT	n/a	n/a
Operations & Maintenance	n/a	n/a
Operatives	n/a	n/a
Pre-fabrication	n/a	n/a

Steps being taken to reduce Gender Pay Gap

While Vital Energi realises that the gender pay gap between men and women in the engineering sector is industry-wide, there are several actions the company are/ will be taking to reduce this as much as possible.

These are as follows:

1. As noted in the 'causes' section of this report, a gender pay gap can show the lack of female progression. In order to combat this, we look to actively recruit women in all fields through different recruitment mediums, not just the traditional job boards. Over the past few years we have been working with local colleges, apprenticeships & careers fair at both Colleges & Universities to increase our selection pool, which in turn, we hope, will increase our recruitment of females in the industry.

   We recognise and appreciate that our 'people' are key in achieving our business objectives. Our fundamental aim is to become the 'Employer of Choice' in the energy market. We ensure the correct recruitment tools are used when identifying and sourcing the right individuals.

   Over recent years, we have continued to run our graduate program, with many of the graduates progressing through the company in their respective departments. We wanted to build on this success by using other means of attracting new talent and have found a great way of doing so is through career exhibitions. We have had pronounced success at previous shows including Skills North West, Hackney Careers Fair and Liverpool University Careers Fair. Skills North West was held at Media City in Manchester and was aimed at apprenticeship recruitment, with the majority of the visitors being school and college leavers. Hackney Careers Fair was held at Hackney Community College, this was run in partnership with the College to attract talent from college students and the local community. The event at Liverpool University was a graduate fair looking to attract graduates and undergraduates to our graduate scheme and work placement schemes.

   As previously mentioned, we have seen continued success from our annual graduate scheme over the last 6 years, with our average annual intake being around 6 graduates across various functions. We have developed a 3-year training program combining theory with practice within our Design function and are currently working on a similar project within our Engineering departments. We ensure that our graduates are teamed up with a suitable mentor at the start of their employment. Objectives are set and a training plan is established, agreed and implemented for each participant for the duration of their training period (this could be anything from 1 to 3 years). Regular review meetings take place with their reporting manager and educational mentor, to ensure that targets/ objectives are being achieved in line with their training plan.

   Our aim is by attracting young talent into the business, and helping them to progress and develop their personal and professional skills, we will move away from the stigma of engineering being a male dominated field and increase the number of females within the company. Prior to 2016, the company only had male apprentices. We now have 3 females who we hope to promote and progress within their assigned departments.

2. We, as a company, are aware that a good work-life balance is important to both men & women. Sometimes, flexibility within working hours, especially for working women, can be the difference between being able to go out to work and not. Vital Energi recognises the importance of this. Therefore, in 2016 we introduced a flexible working hours approach throughout the Group. This offers 6 different flexible working patterns to all employees. This allows staff the ability to choose a working pattern that fits in with their lifestyles and personal commitments e.g. childcare, caring responsibilities, etc. The flexible working patterns offer earlier and later start and finish times to try and help accommodate employee's personal circumstances and commitments outside of work.

3. In addition to the 'flexible working hours' options, we also offer employees the opportunity to 'buy & sell' annual leave. They are able to purchase up to 3 additional days' leave and sell 5 days' leave. The idea behind this is again to assist with commitments out of work, such as childcare and caring, and to afford all members of staff a better work-life balance.

4. We are looking to promote women in engineering to try and raise awareness in line with the 'National women in Engineering' day. On 23rd June each year, 'International Women in Engineering' Day is celebrated to focus on the great opportunities available for women in the engineering industry. An article from our marketing department has been included in this report as Appendix 1.

5. We are considering implementing 'Equal opportunities training' for managers. Our reasoning behind this is that it will allow us, a company, to attract and retain the best quality employees in our industry, create more positive working relationships throughout and enhance performance/ productivity within all department/ functions. We also believe it will reduce the risk (and cost) of possible legal action and allow our workforce as a whole to be treated fairly and consistently regardless of their sex.

Vital Energi Utilities Ltd is an equal opportunities employer that is opposed to all forms of discrimination and will select for employment, training and promotion on the basis of suitability for the job and/ or merit. No employees will receive less favourable treatment than another on the grounds of sex, race, colour, age, ethnic or national origins, political affiliations, religious beliefs, marital status, physical disability or is disadvantaged by unjustifiable conditions or requirements. We will continue to carry out pay and benefit audits at regular intervals, with our overall aim focusing on paying employees equally for the same or equivalent work, regardless of their sex (or any of the other characteristics outlined above).

The challenge in our organisation and across Great Britain is to eliminate any gender pay gap. The company endeavors to continue with the actions highlighted above to help improve the stigma attached to women in the Engineering industry. We will continuously review and adapt our recruitment and selection processes where appropriate. Any further initiatives will be reported in the annual statements on our website.

I, **Gary Fielding – Managing Director**, confirm that the information in this statement is accurate.

Signed: 

Date 16th March 2018

Appendix 1: **News article (sourced on Vital Energi's company website)**

International Women in Engineering Day 2017

On 23rd June each year, International Women in Engineering day is celebrated to focus on the great opportunities available for women in the engineering industry. Vital regularly recruits across the UK and actively encourages women into the company, and this year, we have interviewed two of our female engineers to discuss their development and achievements and the opportunities that a career in engineering can bring, in the hope that we can motivate and encourage more women into the industry.

Senior Design Engineer, Gemma McHugh, (left) has been working at Vital Energi for 8 years and originally joined as a Junior Design Engineer with two years' prior experience. Hayley Kimberley, Project Manager, (right) has been with Vital Energi for less than a year but has been working in the engineering sector for 11 years. We spoke to both women about their careers and the opportunities they have been given and here is what they had to say.

Why did you choose a career in engineering?

Gemma: Choosing to do engineering in school wasn't a straightforward or obvious choice for me. I chose engineering because I got satisfaction out of solving problems in Maths but I also liked seeing things come to life and develop through stages of design in Art. I decided that I wanted to build things (like the Lego I played with as a child) for a living so I figured engineering was the career for me.

Hayley: I have always been creative and enjoyed working with my hands from a young age. I spent 12 years as a service and repair gas safe engineer, which I loved, but decided I could push myself further as I liked solving problems and always loved the idea of running a job as a Project Manager. I went to university at the age of 28, and graduated with a first class degree in Civil and Infrastructure Engineering.

What is the greatest thing you have achieved in your engineering career so far?

Gemma: For me, it's been great to start from a junior level and rise up through the ranks over the years whilst becoming a Chartered Engineer. The level I am at now involves leading the design of complex projects for the University of Edinburgh with a close-knit team. I enjoy getting the most out of the relationships I've built over the past number of years, working with the electrical, CAD and projects teams to get projects complete. Even though I sometimes feel like I know nothing, I definitely know more than I did 10 years ago!

Hayley: Being the first female installation engineer in my region with my previous company, my first class degree while working 40-50 hours per week and being asked to be the Project Manager on a £28million renewable scheme. For 3 years, I worked for 7 days a week when I was studying but it is totally worth it now and I'm planning to do my masters in the next couple of years to try and become chartered. I'd also like to do an MBA in business as I'd like to work to becoming Project Director by the time I'm 40. That's the goal anyway.

What is the most exciting project you have worked on?

Gemma: I am coming to completion of our latest University of Edinburgh project which is a district heating and cooling network for their veterinary campus. There were many challenges on this project including space for plant and the project itself has been quite technically complex. There have been many elements of this project which were new to me and that I've learnt throughout the design process. It has proven to me that there is always something new to learn and new ways I can develop throughout my career, but it has been a very interesting project to work on.

Hayley: The Ram Quarter project that I'm currently on is the most exciting. It brings new challenges every day and there are so many elements that I'm looking after including; district heating, risers, laterals, HIUs, adiabatic dry air coolers, chillers, CHPs, boilers, gas pipe, large distribution mains pipe, BMS, ventilation system. To be 32 and doing all this is amazing. I rise to every challenge and give 110% all the time no matter what pressures are upon me. I have a good team of sub-contractors that help and support me every day to deliver this job to the highest standard, and we have health and safety at the front of everything we do.

What changes do you think could be made in schools to make engineering a more accessible career choice for women?

Gemma: I think there needs to be more awareness in schools of the huge variety of roles that engineers can do by having lots of engagement with industry. In school, (and often in university), I remember not really having any idea what an engineer did as a job in everyday life. It's usually quite obvious what a traditional female career like a nurse or teacher does but engineers can have so many different roles in many different industries that it can be difficult to understand. This is something that is not just an issue for females. I think there's also a perception of engineering being too hard, and while it's not easy, it can be rewarding and it's definitely a career available to anyone with an interest in problem solving. Young children have such high ambitions and they believe they can do anything,

so I think it is really important to manage stereotypes while children are young to ensure girls aren't scared of the word engineering and see the endless possibilities that this career can bring.
Hayley: I went to an all-girls school and engineering as a career really wasn't mentioned but I think the best way would be to advertise it in schools. If women from the industry visited and showed what they can achieve, I think it could demonstrate what an amazing and exciting career this can be. I am still early in my career but I work with women who have worked on the Shard and Westminster and there is even a female crane driver on this site, which is great to see. On site, it is massively male dominated and it can be tough at times as a women, personally I give as good as I get and show what I can do so gender is not an issue. Having a female opinion around the table can help massively, women just think differently and in construction, that is a huge benefit.

Both Gemma and Hayley have touched on how engineering could be more accessible for everyone and have highlighted the various possibilities for women in engineering.

Dave Wilkinson, our Associate Design Director, commented "Despite many initiatives to get women into engineering over the last few years, there is still a lack of female representation across the sector with only approximately 6% of registered professional engineers being women. At Vital we actively encourage and support women into all elements of our business and encourage all our engineers to become chartered if that is the route they are looking to pursue. I am happy to say that we are a well above that 6% figure, with 20% of registered (chartered) within our business, but we will continue to encourage women into these roles and improve upon that figure."

There are a wide range of opportunities available in all of our departments here at Vital, from design and project engineers to quantity surveyors and roles in the support function including metering & billing, HR and marketing.

The more diverse the industry becomes, the more ideas will be available and these new perspectives will benefit everyone. We think that Gemma and Hayley are great role models to anyone wanting to pursue a career in this industry. They both agree that engineering can be extremely rewarding, and if you're prepared to work hard then that hard work will pay off.

*** End of news article ***